Abstract

The present invention provides a method and system for optimizing investment performance of an economic entity. The method includes the steps of transferring market risk but not credit risk from a first account to a second account through a counterparty and recognizing either gains and losses in the second account at a future date from the original investment date. The market risk is preferably transferred between the first and second accounts by way of derivative transactions. The system includes a means for processing data relating to a transfer of market risk but not credit risk from the first account to the second account through a counterparty and a means for calculating either gains or losses in the second account at a future date from the investment date. The invention also provides a computer readable storage medium containing computer executable code for instructing a computer to carry out the invention.

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